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Chairman: Mr. Rosenthal ..... (Guatemala)
later: Mr. Park Hae-yun (Vice-Chairman) ..... (Republic of Korea)
later: Ms. Dinić (Vice-Chairman) ..... (Croatia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10.10 a.m.

Twenty-fifth anniversary of the International Civil Service Commission

1. **The Chairman**, referring to the proposals for the reform of human resources management which had just been submitted by the Secretary-General, said that his staff were an invaluable asset for the United Nations and it was important that the Secretariat should have high-quality staff.

2. It had taken a long time to arrive at an international civil service that was independent, qualified, objective and motivated by the high ideals of the Charter. The alternative would have been to make a Government responsible for fulfilling the role of a secretariat on a pro tempore basis with seconded national officials from Member States. Since its creation in 1945, the United Nations had had need of an impartial regulatory framework since it wished to offer working conditions capable of attracting the best human resources and to ensure equal treatment for its staff members irrespective of the duty station or unit to which they were assigned. Thus, in 1946 the concept of the common system had been accepted and in 1948 the General Assembly had established the International Civil Service Advisory Board (ICSAB), which had been succeeded 25 years ago by the International Civil Service Commission (ICSC).

3. With its technical advice, ICSC illuminated the debates of the Fifth Committee on the working conditions of the staff of the common system. In that area, it played a leading role because of its links to the General Assembly. The moral authority it enjoyed facilitated the resolution of questions on which Member States, the organizations and the staff did not always see eye to eye. Nevertheless, the Committee needed to consider what measures should be taken to adapt and strengthen ICSC and bring it up to the high standards expected of it. There would be an opportunity for it to do so when it came to consider the report of the Secretary-General on strengthening the International Civil Service Commission (A/55/526).

4. **Mr. Bel Hadj Amor** (Chairman of the International Civil Service Commission), reviewing the 25 years that ICSC had been in existence, noted that the world in which the international organizations were now operating had changed in some respects — driven by globalization and increasing competition which made it necessary to adapt the common system — although in some respects it remained the same, since the need to coordinate and regulate the working conditions of the international civil service had not disappeared. He believed that, given the diversity of the organizations within the common system, ICSC had managed to adopt a nuanced approach and to maintain the proper equilibrium between the need for regulation and coordination and the need to preserve responsiveness and a certain flexibility.

5. Twenty-five years earlier, when ICSC had taken over the work of ICSAB, it had been conceived as an independent technical forum in which an exchange of views among Member States, the organizations and the staff could take place. It had, moreover, continually endeavoured to increase the transparency of its decisions. However, since its role was to arrive at technical decisions based on objective information, it could not always satisfy all parties. That was at the root of its difficulties. Nevertheless, prompted by a constant concern to preserve the unity of the common system, the Commission had managed to sustain the dialogue, with the encouragement of the General Assembly, which had praised it for its competence and impartiality and had reaffirmed its central coordinating role.

6. ICSC was particularly proud of its contribution to the creation of a truly international civil service with common values and goals. In addition, it had unified the salary system, inter alia through the post adjustment and job classification systems. Its activities to modernize the common system had included the development of an integrated framework for human resources management, which entailed a review of the pay and benefits system. That system had not been revamped since the Organization's founding, with the exception of the partial review conducted in the late 1980s. ICSC had also made major contributions through its studies on gender balance, work/life issues and performance management.

7. With respect to the review of ICSC, the Commission could not but benefit from periodic re-examination and criticism. ICSC had undertaken many such reviews over the past 10 years with a view to improving its functioning and working methods. The Member States had had a hand in those reviews, which had resulted in practical innovations. However, in order to be constructive, such reviews must have clear objectives. In past reviews, ICSC had ensured the inviolability of the basic principles established by the General Assembly: its

independence, its decision-making authority and the integrity of its statute. Those principles were fundamental to the Commission's functioning and effectiveness and were the foundation of its authority. Another principle that must be respected was that the choice of Commission members must remain the prerogative of Member States.

8. The common system derived its strength from the support it received from the Member States. ICSC would continue to provide the organizations with the guidance, policies and tools they needed to fulfil their missions, and would help build a strong, modern international civil service that could meet the contemporary demand for cost-effectiveness. The Commission would encourage staff flexibility and mobility; strengthen staff pride in belonging to a common entity and the formation of a results-driven culture based on accountability; and consolidate factors that would support the staff in the performance of their duties. In the new world order, the mandates given to the United Nations system were evolving constantly and requiring more results with fewer resources. Consequently, the Organization needed high-calibre staff selected according to rigorous and non-political criteria, who must be rewarded for their achievements and held accountable for their actions.

9. **Mr. Ould Deddach** (Mauritania), speaking on behalf of the Group of African States, highlighted the difficulty of the Commission's work, which involved reconciling what were sometimes divergent interests, and emphasized the need to preserve the Commission's independence.

10. **Ms. Ibraimova** (Kyrgyzstan), speaking on behalf of the Group of Asian States, recalled that, since the Commission's founding, it had undertaken to establish and rationalize a salary system that would make the United Nations an attractive employer. After outlining the Commission's chief accomplishments, she stressed that, despite the sweeping changes in the international civil service and in the world since the 1970s, the Commission had succeeded in strengthening the cohesiveness of the common system.

11. **Mr. Petrič** (Slovenia), speaking on behalf of the Group of Eastern European States, said that the Commission, which had been established to coordinate the conditions of service in the United Nations common-system organizations, had succeeded in doing so and in reconciling the concerns of the various parties involved. As an independent technical body, the Commission had undertaken important work in standardizing job classifications, restructuring the salary system and equalizing purchasing power. He highlighted, in particular, the Commission's pivotal role in modernizing the Organization's staff management practices.

12. **Mr. Fonseca** (Brazil), speaking on behalf of the Group of Latin American and Caribbean States, said that, while the Commission's work had undoubtedly been an essential reference for human resources managers of the United Nations system, it had also influenced human resources management in many national civil services. The Commission's decisions had been among those which had improved the conditions of service of the staff of the common-system organizations, particularly through the establishment of the post adjustment system and the development of job classification standards applicable to all duty stations.

13. The Organization's staff was its most precious asset. Any organization needed highly motivated and qualified staff to achieve its goals. The preceding week, the Deputy Secretary-General had introduced the report on human resources management reform (A/55/253), which contained a comprehensive set of proposals in that area. The Commission, for its part, had developed a framework for human resources management that would serve as a reference for future reforms in that area. Both of those documents should be examined carefully by the Fifth Committee, as should the draft standards of conduct for the international civil service.

14. **Mr. Kastrup** (Germany), speaking on behalf of the Group of Western European and Other States, said that the General Assembly had entrusted the Commission with the care of the Organization's staff, which, in its geographical, linguistic and cultural diversity, was the Organization's greatest asset, as reflected by the fact that staff costs accounted for more than 80 per cent of the organizations' budgets. The Commission and the United Nations Joint Staff Pension Fund were the two pillars of the United Nations common system of salaries, benefits and allowances. It was not easy to reconcile the interests of the staff, the organizations and the Member States, nor was it the Commission's task to do so.

15. The Commission had taken the lead on gender equality and on life/work-related issues and its activities influenced a number of organizations which did not apply the United Nations common system. In the twenty-fifth year of its existence, the Commission had taken up the issue of standards of conduct for the international civil service, as well as that of a framework for human

resources management. In reviewing the pay and benefits system, the Commission would seek to respond to the increasingly divergent needs of organizations in a rapidly changing world. The group of Western European and Others States hoped that the Commission would identify new personnel management tools, a streamlined and competitive compensation package and ways of encouraging and rewarding high performance and managerial excellence.

16. **Mr. Rowe** (Sierra Leone) said that he wished to associate himself with the statement made by the representative of Mauritania on behalf of the Group of African States. He recalled that Dag Hammarskjöld had considered an independent international civil service to be the keystone of a future international order. The mandate and activities of the International Civil Service Commission were designed to reconcile the furtherance of the principles and objectives of the United Nations with equitable and attractive conditions of service for the staff of the organizations applying the common system. Although the Commission's recommendations had on occasion been questioned — as was reflected in certain cases brought before the United Nations Administrative Tribunal — the Commission had nevertheless maintained its independence, objectivity and technical expertise in the fulfilment of its complex tasks.

17. **Mr. Juwayeyi** (Malawi) said that, in the twenty-five years of its existence, the International Civil Service Commission had succeeded in defining important aspects of the service conditions of United Nations staff, such as the post adjustment system, the mobility and hardship allowance scheme, job classification, standards and guidelines on performance appraisal methods. It had also developed a framework for human resources management, which was a key instrument in support of the reform of the common system. While his delegation applauded the Commission's work, which was welcomed each year by the General Assembly in its reaffirmation of the central coordinating role of ICSC, it hoped that the Commission would address two issues, namely the involvement of the staff and their unions in the formulation of new human resources management tools, and the modalities for the continuing training of staff.

18. **Mr. Darwish** (Egypt) recalled that the International Civil Service Commission had developed technical tools in response to Article 101, paragraph 3, of the Charter of the United Nations, which stipulated that the paramount consideration in the employment of staff and in the determination of the conditions of service should be the necessity of securing the highest standards of efficiency, competence and integrity. It would be important in the future to maintain the Commission's independence, objectivity and technical expertise.

19. **Mr. Lozinski** (Russian Federation) said that the International Civil Service Commission had played a vital role in supporting the common system, as well as the integrity and cohesion of the international civil service. The Commission had also helped to eliminate any unhealthy competition between organizations in the recruitment of highly skilled managers and had encouraged staff replacement and exchange between organizations. The comparison of conditions of service and job classification carried out by the secretariat of the Commission was most authoritative; indeed, international organizations not applying the common system were increasingly seen to base their own salary and job classification scales on the system. Member States also had recourse to the Commission's database and specialized knowledge when determining the principles and standards to be applied in their national civil services.

20. He welcomed efforts on the part of the Commission to improve its methods of work, to ensure dialogue with the staff associations and to keep delegations informed on a regular basis of the more complex technical aspects of its work — all of which merited the support it received from an overwhelming majority of Member States. The General Assembly, in its latest resolution on the subject, had again reaffirmed the central role of the Commission in the regulation and coordination of the conditions of service in organizations applying the common system.

21. **Mr. Hamidullah** (Bangladesh), associating himself with the statement made by the representative of Kyrgyzstan on behalf of the Group of Asian States, paid tribute to the International Civil Service Commission which, despite the diversity of organizations and institutions, had managed to maintain the objective and technical character of its work.

22. **Ms. Sánchez Núñez** (Cuba) underscored the usefulness to the Fifth Committee of the work of the International Civil Service Commission, an independent body which had to deal with a complex challenge.

23. **Mr. Hassan** (Nigeria), speaking on behalf of the Group of 77 and China, said that the Commission, by furthering the cause of the common system and helping organizations to fulfil their mandates with reduced resources, had gained the support and cooperation of Member States.

24. **Mr. Kendall** (Argentina), associating himself with the comments made by the representative of Brazil on behalf of the Group of Latin American and Caribbean States, paid tribute to the Commission's professionalism and integrity.

Agenda item 115: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/55/5 (Vols. I, III and IV) and Add.1-12, A/55/80 and Add.1, A/55/364, A/55/380 and Add.1, and A/55/487)

25. **Ms. Merchant** (Norway) said that her delegation aligned itself with the statement made by France on behalf of the European Union. It regretted the late submission of some of the reports that had to be considered under the agenda item. It strongly supported the work of the Board of Auditors, which it commended. It was pleased that separate reports had been submitted on the International Criminal Tribunals for Rwanda and the Former Yugoslavia, and found it reassuring that the Advisory Committee on Administrative and Budgetary Questions (ACABQ) would follow up on the recommendations made by the Board and by the Expert Group to Conduct a Review of the Effective Operation and Functioning of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda, in particular in respect of the use of courtrooms and control over legal defence costs. Her delegation was pleased to note that 69 per cent of the Board's recommendations had been fully implemented and 26 per cent were in the process of being implemented. However, it agreed with the Advisory Committee that all concerned should ensure that clear and concise reports were issued on time in order to facilitate the monitoring and reporting process.

26. Her delegation was concerned that the Board had had to qualify its opinion on the financial reports of the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations International Drug Control Programme (UNDCP) and the United Nations University and that, in the case of the three former bodies, its reservations had stemmed from the fact that the Board had been unable to obtain sufficient audit evidence. It was also concerned that the Board had had to restrict the scope of its audit of UNDP owing to uncertainty over unidentified amounts totalling $11.1 million arising from bank reconciliation. It concurred with the Advisory Committee that those anomalies warranted immediate attention, and that the General Assembly should defer action on the financial reports of UNDP, UNDCP and UNFPA until those questions had been brought to the attention of the respective governing bodies so that they could take the necessary measures.

27. Lastly, her delegation agreed on the need for capacity-building support for partners in programme management in order to ensure coherent budgeting and reporting practices and to encourage partners to perform audits and implement control measures.

28. *Mr. Park Hae-yun (Republic of Korea), Vice-Chairman, took the Chair.*

29. **Mr. Orr** (Canada), speaking also on behalf of Australia and New Zealand, noted that in resolution 74 (I) of 7 December 1946, the General Assembly requested that the Board of Auditors should submit its reports so that they would be available to the Advisory Committee not later than 1 June following the end of the financial year to which they pertained. With the advances in technology over the past 50 years, the deadline should have been advanced, whereas the opposite had happened. Emphasizing that the timeliness of financial information was a key characteristic of good accounting and that in order for such information to be useful it must be received by decision makers before it lost its relevance, he asked that the Fifth Committee should receive the financial reports in a more timely manner.

30. Drawing attention to the fact that financial statements were a key part of the planning, budgeting and expenditure cycle, he said he was puzzled that the governing bodies of the funds and programmes did not play a more active role in the review and approval of the financial reports and audited financial statements, when they were the ones to approve the plans and budgets. That reduced role for the governing bodies had led to the situation where the Board had had to qualify the financial statements of four bodies. While he supported the recommendations of the Advisory Committee, he believed that more action should be taken. He reiterated the call made two years earlier by the delegations for which he was speaking for organizations that did not receive any funds from the regular budget to submit their audited financial statements to their governing bodies through the Advisory Committee, and not to the Fifth Committee.

31. His delegation considered that there was a need to reduce the number of schedules and financial statements submitted by the organizations. According to United

Nations accounting standards, a complete set of financial reports should consist of four basic statements. His delegation noted with satisfaction that the Board's reports had shifted the emphasis to management issues and away from the focus on compliance, which had previously been given greater importance. The system-wide audit of procurement had shown that procurement remained an area of concern; it was nonetheless encouraging that the United Nations Procurement Division was leading the way with its use of the Internet and open tendering to ensure fair and equal access to the United Nations system. He urged the major organizations and the United Nations Office for Project Services (UNOPS) to follow that example.

32. His delegation was pleased that the Board had drawn up separate financial statements for the International Criminal Tribunals. Since the budgets of those organizations were approved on an annual basis, their financial statements, too, should be drawn up annually. Lastly, he asked the Board to provide further information on the $7,660,000 in the 1996-1997 financial statements that had been used for purchases made in 1998-1999. If that amount had not been a valid charge against the 1996-1997 financial statements, then it should have been returned to Member States in accordance with established practice.

33. **Mr. Repasch** (United States of America), expressing support for the statement by the representative of Canada, said that it was desirable for the Controller to present the financial statements on the United Nations to the Fifth Committee, since that would better reflect his responsibility. His delegation attached great importance to the reports of the Board of Auditors since they provided Member States with a comprehensive overview of the financial condition and activity of the United Nations, its subsidiary organs and the specialized agencies, and once more expressed regret that most of the reports had not been issued in time for delegations to read and analyse them fully. His delegation needed to receive assurance that the situation would be rectified. The role of the Board was an essential component of ongoing efforts to improve financial management and accountability at all levels of the Organization.

34. His delegation was generally pleased to note improvements in financial management and internal controls in a number of organizations. It had no doubt that most of those improvements were the result of pressure from oversight mechanisms (the Board of Auditors, the Advisory Committee, internal audit groups and the Fifth Committee). It regretted, however, that the auditors sometimes had to note deficiencies in management or the fact that their previous recommendations had not been implemented and hoped that the Organization would continue to improve its financial management and would insist on accountability as a matter of routine in the event of irregularities.

35. His country expressed disappointment concerning the qualified audit opinions for four United Nations organizations. UNDP, UNFPA and UNDCP had failed to provide sufficient evidence concerning the utilization of funds totalling over US$ 835 million advanced to them for national execution projects, and UNDCP had still not provided an explanation for the expenditure of $17.9 million during the 1996-1997 biennium. Furthermore, UNFPA's proportion of national execution expenditure covered by audit reports had decreased to 50 per cent in 1998-1999, which called for an explanation. With respect to the United Nations University, the Board had revealed a considerable sum in contributions that had been outstanding for over five years, and in some cases for many years. All those findings pointed to poor financial management. Credible and verifiable documentation of all national execution expenditure was an absolute necessity. In that regard, his delegation fully supported the recommendation of ACABQ that the General Assembly should defer action on the financial statements of the organizations concerned for the period ended 31 December 1999 until the Board had certified that the problems had been resolved or that significant progress had been made. His delegation also concurred with the Advisory Committee's recommendation to the Secretary-General that he should ask the governing bodies concerned to hold the organizations' directors accountable for taking corrective measures.

36. His delegation was also concerned about the apparently precarious financial situation in several organizations where expenditures had exceeded income. Those organizations should take measures to avoid future deficits. Another matter for concern was the fact that several United Nations agencies were not applying the procedures in force concerning the selection of consultants; it was unacceptable that some of them did not evaluate the performance of consultants or did not ensure that the means were

available to do so. He drew attention in that connection to UNEP, UNU and the United Nations Centre for Human Settlements (Habitat).

37. With regard to the United Nations, his Government was concerned at certain findings concerning the Integrated Management Information System (IMIS), in particular the delays in developing certain components intended to provide accurate and timely information for consolidated financial statements. It was also a matter of concern that IMIS has no facility to archive data, thus resulting in an accumulation of old information that would be likely to block the system. His delegation hoped that the Board and the Secretariat would provide an update on the introduction of the various releases of IMIS.

38. His delegation was pleased that the Board of Auditors had examined the effectiveness of internal audit services. Noting that the Office of Internal Oversight Services and the oversight units of UNDP and UNICEF needed improvements, he asked what had been done in that connection.

39. Concerning the procurement of arbitrators and outside legal counsel, his delegation noted that, in some cases, outside counsel had started work even before the contracts were signed, and asked for an explanation. The auditors had reported that the services provided by the United Nations Office at Nairobi for a conference held by Habitat in May 1999 had only been billed to that organization seven months later. His delegation asked whether that was a standard procedure for billing conference services and whether Habitat had paid the amount remaining due.

40. His delegation noted with satisfaction that two separate audit reports had been prepared for the two war crimes tribunals. He suggested that the Fifth Committee should consider those reports under the items dealing with the proposed budgets for the tribunals. His delegation noted that the reports on the International Tribunal for the Former Yugoslavia focused principally on the implementation of the Tribunal's mandate whereas the report on the International Criminal Tribunal for Rwanda contained more findings about the administrative and management aspects. The auditors should in future adopt a more consistent approach. Regarding the report on the International Criminal Tribunal for Rwanda, his delegation noted that the Prosecutor's Office had not accounted for the use made of the considerable sums advanced from the imprest account. He asked what had been done to correct that situation which his delegation considered unacceptable. His delegation noted also that the absence of trial chamber judges had resulted in delays in the hearing of cases. With regard to the International Tribunal for the former Yugoslavia he noted the low utilization rate of courtrooms and pointed out that many witnesses had been brought to The Hague without ever appearing in court. While appreciating the complexities of the Tribunal's activities, his delegation thought that court procedures could be better organized and asked for explanations.

41. With regard to the other reports, his delegation was pleased to note that the financial position of UNDCP had improved considerably in 1998-1999, although it was disappointed that monitoring and evaluation in UNDCP was not consistent. It would like to know whether steps had been taken to correct the situation so that Member States could determine the impact of the resources allocated to programmes. The report on UNICEF showed that, by contrast with the previous financial year, in 1998-1999 income had exceeded expenditure, but the programme implementation rate was still below 80 per cent. His delegation would therefore like to know what action had been taken by UNICEF to ensure that its programme objectives were achieved for the current biennium.

42. Noting that a management information system set up at the International Trade Centre, costing almost $300,000, was still dysfunctional, he said he would like to know what steps had been taken by the management of the Centre to obtain the information required to make its decisions.

43. His delegation had noted that the auditors had found a discrepancy in the accounts of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) owing to an understatement of its assets. He would like to know how that problem had been solved.

44. He was glad to learn that the Office of the United Nations High Commissioner for Refugees (UNHCR) had reached its target rate for the receipt of audit certificates from its implementing partners, and he urged the Office to continue its efforts in that direction. However, he was concerned about the inadequate separation of financial management responsibilities in UNHCR field offices. With regard to the United

Nations Office for Project Services (UNOPS), he noted that there were few indicators of success; many of the activities of the Office were open to quantification and he would like to know whether an effort had been made to quantify them.

45. He wished to reiterate the request made each year by his delegation concerning the term of office of the members of the Board of Auditors. which had been set at three years at a time when the budget period was a one-year cycle. It would seem sensible that the term should coincide with the current budget cycle. In conclusion, he agreed with the views expressed by the Advisory Committee and hoped that the Board's recommendations would be promptly implemented.

46. **Ms. Sanchez** (Cuba) said that her delegation was generally satisfied with the quality of the reports of the Board of Auditors, and was especially glad that there were separate reports for the International Criminal Tribunals. However, it was regrettable that the previous recommendations of the Board had not been implemented in full. She also considered it unacceptable that the Board had begun its official consideration of an agenda item before all the documents relating to that item had been distributed. She hoped that agenda item 115 would not be discussed in informal meetings until all the documents relating to it had been distributed.

47. *Ms. Dinić (Croatia), Vice-Chairman, took the Chair.*

48. **Mr. Park Hae-yun** (Republic of Korea) said that his delegation welcomed the submission of separate reports for the International Criminal Tribunals, but it was concerned that the reports of the Board of Auditors were still distributed late, despite the Committee's repeated requests. In the context of the current reform process within the United Nations, the role of the Board was becoming increasingly important. His delegation welcomed that fact, as well as the strengthened coordination between the various oversight mechanisms, both external and internal. His delegation generally endorsed the recommendations of the Board and the Advisory Committee.

49. His delegation attached a high priority to procurement reform. It was concerned that a number of funds and programmes were continuing to disregard the financial regulations governing procurement. It particularly regretted poor contract management, failure to comply with the procedures for choosing suppliers, the abuse of procurement on an exigency basis and the lack of verification of contract completion before funds were disbursed. He emphasized that it was important to strengthen internal controls in those areas and to improve procurement planning.

50. His delegation reiterated its concern at the cost of procurement-related arbitration. The United Nations was currently liable for $12.2 million as a result of four arbitration cases which had resulted mainly from deficiencies in contract formulation, interpretation and implementation. It also regretted the lack of transparency in selecting arbitrators and outside counsel, and endorsed the Board's recommendations in that regard. It welcomed the horizontal audit of procurement activities and the increasing practice of performance audits. His delegation concurred with the recommendations of the Advisory Committee that the funds and programmes should continue to develop and improve performance measurement standards which would facilitate the task of the auditors.

51. His delegation regretted that the Board continued to present qualified audit opinions on the financial statements of UNDP, UNFPA, UNDCP and the United Nations University. Qualified opinions should not be regarded as a normal feature of the audit function. As recommended by the Advisory Committee, the General Assembly should defer action on the financial statements of those organizations until it was assured that progress was being made. His delegation welcomed the high proportion of recommendations which had already been implemented or were in the process of being implemented. It was in favour of setting up an effective mechanism for following up the Board's recommendations, especially with regard to identifying officials responsible for implementing each recommendation.

52. **Mr. Tang** Guangting (China) hoped that the reports of the Advisory Committee and of the Board of Auditors would in future be published in all languages before the beginning of the session of the General Assembly in order to allow time for the Member States to consider them. He pointed out that the auditors had expressed qualified opinions in the cases of UNDP, UNFPA, UNDCP and UNU, and agreed with the Advisory Committee that the General Assembly should not take a decision on the accounts of those four bodies for the financial period ending on 31 December 1999 until they had taken the necessary measures. His delegation noted with satisfaction that the

recommendations of the Board of Auditors were generally followed. Only 10 had not yet been applied, some of them because of changes in the situations that had given rise to the recommendations. His delegation hoped that the Board would continue its efforts in that respect and endorsed the opinion of the auditors and the recommendation of the Advisory Committee concerning arbitration procedures in connection with contracts. He hoped that the Secretary-General would report on the action taken on the recommendation of the Board of Auditors on that matter so that the Advisory Committee could consider it in February-March 2001. His delegation also hoped to have detailed information on the question of arbitration at the time of the Advisory Committee's annual consideration of the financing of peacekeeping operations.

53. **Mr. Gangan** (Chairman, Philippine Commission on Audit), speaking on behalf of the members of the Board of Auditors, said that he had taken good note of the many comments that had been made concerning the publication of two distinct reports for the international criminal tribunals. He pointed out that the Board had already taken measures to follow a similar approach in the preparation of those reports. Referring to the follow-up to the recommendations of the Board, another point that had been addressed by delegations, the auditors considered that the attitude of the organizations was positive.

54. Concerning the comments of the representative of the United States on the subject of the recruitment of consultants, he said that the Board would revert on that matter in its forthcoming reports. Replying to a question from the representative of Canada, he explained, with reference to use by the International Criminal Tribunal for Rwanda of obligating documents in order to set aside a sum of $7,660,000 for the 1996-1997 biennium, that the Board had taken the view that those commitments were indeed for the 1996-1997 biennium. What was not justified, however, was the use of obligating documents, in other words of documents that did not require a call for tenders. He gave an assurance that the Board carefully considered all unliquidated obligations remaining at the end of a budgetary period and took care to ensure that any surplus or deficit was properly reported.

55. Referring to the concern raised by the qualified opinion of the auditors on the financial statements of UNDP, UNFPA and UNDCP, he recalled that the Board fully endorsed the recommendation of the Advisory Committee to the effect that the General Assembly should not take a decision before the Board had given it assurances. On the question on the use of the Integrated Management Information System (IMIS), he considered that the Secretariat would be in a better position to reply. It would also, perhaps, be preferable to raise with the Secretariat the question of the delays in the submission of the Board's reports since the Board had transmitted several of its reports to the General Assembly late in July or early in August. On the subject of the duration of the mandate of the auditors, the Board considered that the work of the audit would be greatly facilitated if the mandate were aligned with the budgetary period.

56. *Mr. Park Hae-yun (Republic of Korea), Vice-President, took the Chair.*

57. **Mr. Halbwachs** (Controller), replying to questions raised by delegations, said that the advice of the Board of Auditors and the degree of collaboration between the organizations and the Board explained the high rate of compliance with its recommendations. He would himself be willing to submit the financial statements of the United Nations to the Board of Auditors and the Advisory Committee in accordance with the wish that had been expressed. In that case, the same practice could also be extended to the representatives of the other 15 bodies whose accounts were considered by the Board.

58. Referring to the Integrated Management Information System (IMIS), he said that the Secretariat had made progress in the implementation of the system as could be seen from the twelfth progress report on IMIS which would be issued shortly. In particular, the Secretariat, together with the Board of Auditors, had considered the question of the consolidation of financial statements in the hope that the new presentation, which would be used at the end of the 2000-2001 biennium, would facilitate the work of the auditors.

59. On the subject of the billing of conference services provided by the United Nations Office at Nairobi (UNON) for a meeting held by Habitat, he explained that, rather than submitting a bill several months after the meeting, UNON would in future present a bill for 90 per cent of the estimated cost, with the balance to be calculated after the meeting. Measures had been taken to ensure that Habitat would reimburse UNON as a matter of urgency on the

understanding that the transaction would have no budgetary implications because, on both sides, the resources expended on the meeting in question came from the regular budget.

60. In the case of the outside counsel who had commenced work before having signed their contracts, the Office of Legal Affairs had been asked to ensure that that situation did not recur and it had reached an agreement with the Procurement Division for contracts to be examined and approved more rapidly.

61. With regard to the amount deposited in the imprest account of the Office of the Prosecutor of the International Criminal Tribunal for Rwanda, he said that he had requested an explanation but had still not received a complete reply from the Tribunal. He was keeping the matter under consideration and would take the necessary measures. As for the question of the judges of the Trial Chambers, the rules had been changed so that the presence of a single judge was sufficient. However, the United Nations had very little means of intervening, because the judges did not depend on the authority of the Secretary-General. Regarding the frequency of the Board's reports, he said that, rather than verifying the accounts of the Tribunals each year, which would increase the number of reports, perhaps the time had come to give the Tribunals biennial budgets.

62. With regard to the late issuance of reports, he said that, although, as the representative of Canada had mentioned, there had been significant technological progress since 1946, the activities of the United Nations had expanded considerably and were immeasurably more complex than they had been at that time.

63. **Mr. Riesco** (Assistant Secretary-General for General Assembly Affairs and Conference Services) said that, while he regretted having to present the apologies of the Department of General Assembly Affairs and Conference Services for the late issuance of reports, he welcomed the fact that the Fifth Committee was anxious to enforce the General Assembly's decision that reasons should be indicated in cases of delay (resolution 53/208 B, para. 6). If the six-week rule was to be observed, documents to be issued before the opening of the current part of the General Assembly session should reach the Department by the end of June in order to be ready by the end of July. Yet, at the end of July only 16.5 per cent of the total number of pages to be processed for the fifty-fifth session of the General Assembly (or 2,600 pages out of the 16,000 expected) had arrived, followed by 63 per cent during the next three months, chiefly in September. Priorities had had to be established, not according to the date by which reports had reached the Department, but according to the date on which they were due to be considered by the General Assembly and the Main Committees.

64. In the current instance, the secretariat of the Board of Auditors had acted in exemplary fashion, submitting the reports in good time. The problem had been caused by the number of reports to be processed. Of the 21 reports planned, 13 had been submitted to the Department by the beginning of July, and the same number of reports had been issued between the beginning of August and the end of October, which could be considered reasonable. The other documents, which represented approximately 1,000 pages, had been received for the most part at the end of September. Owing to a series of complications, including the need to translate a heavy volume of draft resolutions for another committee, the saturation point had finally been reached and, accordingly, despite the efforts of the translation services, which had continued to work throughout the weekend, one of the Board's reports had only just been issued and another would not appear until the following day. He intended to discuss with the Fifth Committee secretariat what steps could be taken in order to avoid a recurrence of the situation which arose whenever the Fifth Committee took up the agenda item relating to the reports of the Board of Auditors.

65. **Ms. Sanchez** (Cuba) requested that the Department of General Assembly Affairs and Conference Services should submit a written explanation concerning the delay in the issuance of documents.

66. **The Chairman** said that, if he heard no objection, he would take it that the Committee had concluded the general debate on agenda item 115.

67. *It was so decided.*

68. **The Chairman** said, with regard to agenda item 118, "Programme planning", that, if he heard no objection, he would send a letter to the Chairman of the Third Committee, through the President of the General Assembly, requesting the Third Committee to re-examine programme 19 (Human rights) of the proposed

medium-term plan for the period 2002-2005 in order to present specific recommendations about that programme to the Fifth Committee before 17 November 2000.

69. **Mr. Chandra** (India), coordinator of the informal consultations on item 118, said that it would be advisable for the staff of the Office of Programme Planning, Budget and Accounts to be present when that item was examined by the Third Committee so that they could reply to any questions that might be raised.

The meeting rose at 1 p.m.